Guide To The Energy Project Review Process

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Province of British Columbia
Ministry of Energy, Mines and
Petroleum Resources
Hon. Anne Edwards, Minister

CORRECTION FOR:

GUIDE TO THE ENERGY PROJECT REVIEW PROCESS

Please note that in Appendix 7, the Coal Mine Regulation Act and the Mining Regulation Act were repealed and replaced with the Mines Act, S.B.C. 1989, c.56.

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INTRODUCTION

Energy is one of British Columbia's most important resources. Its use and development are of vital public concern. In 1980 the Government of British Columbia introduced an energy policy and supporting legislation which established an integrated approach to approval procedures for major energy projects in the province. This booklet is a guide to the requirements of Part 2 of the Utilities Commission Act (R.S.B.C., 1980, C. 60) under which energy projects are reviewed and certified (see Appendix 1 for the full text). It is designed to assist applicants, government agencies and the public in understanding the application and review process so that Energy Project Certificate Applications can be effectively and efficiently processed.

This guide is organized into four sections:

- The legislative and administrative framework;
- The application process;
- Other considerations in the Energy Project Review Process; and
- Detailed appendices which contain information to assist in the preparation of an Energy Project Certificate Application.

The information in the guide describes the Energy Project Review Process pursuant to the Utilities Commission Act, and is not intended to alter the Act, its regulations, or other statutes of British Columbia. In any interpretation, the Act and its regulations take precedence over this guide.

OBJECTIVES OF THE ENERGY PROJECT REVIEW PROCESS

The purpose of the Energy Project Review Process (EPRP) is to provide for the comprehensive, integrated and timely assessment of the environmental and socio-economic effects of energy projects regulated under Part 2 of the Utilities Commission Act. The objective is to promote informed, environmentally and economically sound decisions on proposed energy projects to ensure that they are in the public interest and contribute to the sustainable development of British Columbia.

Other key objectives include:

- Providing a "one window" contact with government agencies regarding information and regulatory requirements for specific proposals;
- Ensuring that the environmental and socio-economic impacts of energy project proposals and their justification are adequately assessed before approvals are granted;
- Encouraging early development of management plans to address the environmental and socio-economic impacts of energy projects; and
- Identifying and addressing community concerns about proposed energy projects through effective public consultation programs and public hearings.

PART ONE: LEGISLATIVE AND ADMINISTRATIVE FRAMEWORK

LEGISLATIVE REQUIREMENTS

The Utilities Commission Act, (The Act) provides for:

- The regulation of public utilities, including the British Columbia Hydro and Power Authority;
- The review and certification of projects which generate, use, store, transport, trans-ship, or transmit large quantities of energy; and
- The review and certification procedures for the removal of energy resources from British Columbia.

The Act establishes a review process by which major energy projects obtain certification. Regulated projects, as defined under Section 16, include any large-scale project in the energy field, whether or not the proponent is a public utility normally regulated by the B.C. Utilities Commission. Where energy is removed from the province, an Energy Removal Certificate is required. The Act also establishes the B.C. Utilities Commission as the body responsible for the regulation of public utilities.

Definition of "Regulated Projects"

Section 16

"Regulated projects" are defined according to the amount of energy involved in the project. This includes new projects and additions/ modifications to existing projects above a defined threshold, as follows:

Transmission Lines

- 500 kV or higher voltage or a substation with which such a transmission line is connected, or both.

Pipelines

- Capable of transporting 16 PJ of energy per year. This is approximately 2.5 million barrels or 400,000 m^3 of crude oil or 15 billion cubic feet of natural gas per year. The Vancouver Island natural gas pipeline is an example of a pipeline which exceeds this capacity.

Trans-shipment or Storage Facilities

- Capable of storing 3 PJ of energy (approximately 482,000 barrels or 77,120 m^3 of crude oil or 2.8 billion cubic feet of natural gas).

Electricity Generation

- A hydro or thermal power plant, or an addition to a plant, of 20 MW or higher.

Energy Use Project

- Any new project capable of using 3 PJ of energy per year, or the addition of 3 PJ to an existing project. This is equivalent to 95 MW of continuous electrical supply. Examples of existing facilities which exceed this capacity include the Alcan smelter (Kitimat), Cominco smelter (Trail), MacMillan Bloedel (Powell River), and Skeena Cellulose pulp and paper mill (Prince Rupert).

- Also included in the "energy use project" definition are facilities that convert and process 3 PJ of gas. Examples of gas processing plants with this capacity include Canadian Hunter Ring Border, Amoco Cypress and Amerada Hess Boundary Lake sour gas plants.

Other

- An undertaking of any kind that the Lieutenant Governor in Council (Cabinet) designates to be significant in the matter of energy. For example, many hydroelectric proposals of less than 20 MW in capacity, submitted in response to calls for proposals from B.C. Hydro and POWEREX, have been declared to be "regulated projects" by Order in Council.

Application Procedures

Section 18

An application for an Energy Project Certificate must be made to the Minister of Energy, Mines and Petroleum Resources. The application must contain the information specified in B.C. Regulation 388/80 (see Appendix 2 for the full text).

Information requirements include:

- A description of the applicant, evidence of financial and technical capacity for undertaking the project, identification of applicant's representatives;
- A description of the project, its location and anticipated approvals and construction timetable;
- A description of any new or expanded infrastructure made necessary to accommodate the project and any other areas to be developed by the proponent for their exclusive use (e.g., roads, camps, etc.);
- Identification and assessment of any impacts by the project on the physical, biological, and social environments, and proposals for reducing negative impacts and obtaining the maximum benefits from positive impacts;
- Project justification, including technical, economic and financial feasibility studies and an analysis of benefits and costs;
- A list of approvals, permits or licences (such as under the Waste Management Act, the Water Act, the Pipeline Act and the Petroleum and Natural Gas Act) and whether they are being sought as part of an application;
- A list of other approvals, permits or licences required under federal, provincial, and local government jurisdictions; and a description of the progress the applicant has made toward securing the necessary approvals, permits or licences;
- A description of the applicant's public information and consultation program and results from this program; and
- Other information as may be required by the minister, including supplementary information required to clarify the application.

It is also expected that proponents will have developed a Procurement Plan in consultation with the B.C. Purchasing Commission. The Procurement Plan is meant to support and encourage the development of British Columbia and Canadian industry by contracting with suppliers of goods and services for the project on the basis of competitiveness and best value to British Columbia and Canada.

Applicants seeking a Water Licence and/or Waste Management Permit should apply for such a license or permit early in the pre-application phase of the Energy Project Review Process (EPRP). This will ensure adequate time for review; however, the licence or permit will not be granted until after the Energy Project Certificate Application is approved.

Review Procedures

Section 19

As outlined in Figure 1, there are four disposition decision options specified by the Act once an Energy Project Certificate Application has been made. They are:

(i) Section 19(1)(a) Review by B.C. Utilities Commission and Decision by Cabinet

On receipt of an Energy Project Certificate Application, the Minister of Energy, Mines and Petroleum Resources, with the concurrence of the Minister of Environment, Lands and Parks, may refer the application to the B.C. Utilities Commission for review and public hearing by a Commission panel, according to terms of reference specified by the ministers. Depending on the project, the terms of reference may include the requirement that the Commission recommend whether a Waste Management Permit and/or Water Licence should be issued.

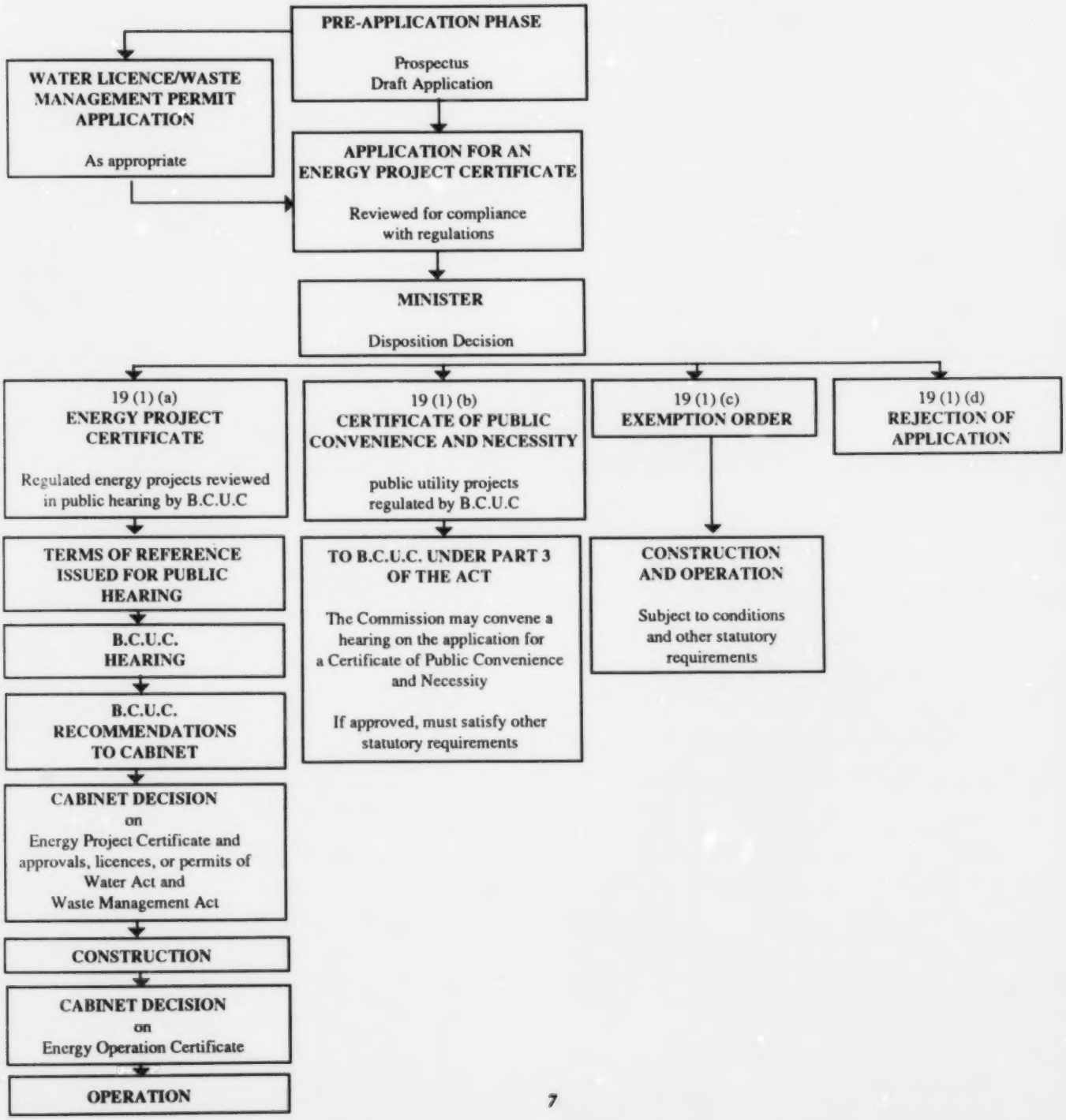
The Commission panel usually consists of one to four commissioners, who may be temporarily appointed to the Commission to hear the application. The panel conducts a public hearing on the application and its report and recommendations are then submitted to Cabinet, which may order that an Energy Project Certificate be granted, with terms and conditions, or that the application be denied. Cabinet may also order that a Waste Management Permit and/or Water Licence be issued, and specify the necessary terms and conditions of operation.

If an Energy Project Certificate is granted, the applicant secures other permits as required and then may proceed with construction. Upon completion of construction, and before commencing operation, the applicant must demonstrate compliance with the Energy Project Certificate's terms and conditions. If compliance is established, an Energy Operation Certificate will be issued by Cabinet. This Certificate may specify further terms and conditions of operation.

Projects referred to the Commission for review under this option include Site C, the Vancouver Island pipeline, and a gas-fired turbine proposal by West Kootenay Power Ltd.

FIGURE 1

ENERGY PROJECT REVIEW PROCESS CERTIFICATION FLOWCHART


PRE-APPLICATION PHASE
Prospectus
Draft Application
WATER LICENCE/WASTE MANAGEMENT PERMIT APPLICATION
As appropriate
APPLICATION FOR AN ENERGY PROJECT CERTIFICATE
Reviewed for compliance with regulations
MINISTER
Disposition Decision
19 (1) (a)
ENERGY PROJECT CERTIFICATE
Regulated energy projects reviewed in public hearing by B.C.U.C
19 (1) (b)
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
public utility projects regulated by B.C.U.C
19 (1) (c)
EXEMPTION ORDER
19 (1) (d)
REJECTION OF APPLICATION
TERMS OF REFERENCE ISSUED FOR PUBLIC HEARING
B.C.U.C. HEARING
B.C.U.C. RECOMMENDATIONS TO CABINET
CABINET DECISION
on
Energy Project Certificate and approvals, licences, or permits of Water Act and Waste Management Act
CONSTRUCTION
CABINET DECISION
on
Energy Operation Certificate
OPERATION
TO B.C.U.C. UNDER PART 3 OF THE ACT
The Commission may convene a hearing on the application for a Certificate of Public Convenience and Necessity
If approved, must satisfy other statutory requirements
CONSTRUCTION AND OPERATION
Subject to conditions and other statutory requirements

Review Procedures (Cont'd.)

(ii) Section 19(1)(b) Review and Decision by Commission

If a public utility applies for an Energy Project Certificate, the Minister of Energy, Mines and Petroleum Resources may refer the application to the Commission for a review under Part 3 ("Regulation of Public Utilities") of the Act as an application for a Certificate of Public Convenience and Necessity. The Commission, at its discretion, may hold a public hearing on the application. If the application is approved, the Commission will issue a Certificate of Public Convenience and Necessity, with terms and conditions as may be required. Conditions may include matters related to construction, maintenance, rates, service, etc. No Energy Project or Energy Operation Certificate is necessary. Applicable statutory requirements and permitting procedures must still be satisfied by the applicant.

B.C. Hydro's Williston-Kelly Lake 500 kV transmission line was reviewed under this option.

(iii) Section 19(1)(c) Exemption

The Minister of Energy, Mines and Petroleum Resources, with the concurrence of the Minister of Environment, Lands and Parks may specify in a Ministers' Order that the construction and operation of a project be exempt from some or all of the provisions of the Act.

The Ministers' Order may include any terms and conditions that could be included in an Energy Project Certificate or an Energy Operation Certificate. The main difference from a Section 19(1)(a) review is that a public hearing is not required. The applicant must also obtain all other applicable permits, licenses, and meet other statutory requirements.

(iv) Section 19(1)(d) Rejection

The Minister of Energy, Mines and Petroleum Resources may reject the application.

ADMINISTRATIVE REQUIREMENTS

An administrative framework has been developed which coordinates the agencies involved in the energy project review process. When preliminary studies or applications are submitted, they will be reviewed through this framework.

Energy Project Coordinating Committee (EPCC)

The Minister of Energy, Mines and Petroleum Resources is responsible for the administration of the Utilities Commission Act. The Minister of Environment, Lands and Parks' concurrence is required for disposition decisions under Section 19(1)(a) and Section 19(1)(c) of the Utilities Commission Act.

An EPCC has been established to coordinate the review of regulated projects and advise the ministers at various stages of the review.

The EPCC consists of:

- The Director of the Energy Project Analysis Branch, Ministry of Energy, Mines and Petroleum Resources.
- The Director, Environmental Assessment Branch, Ministry of Environment, Lands and Parks.
- The Executive Director, Regulatory Affairs and Planning, B.C. Utilities Commission.

The Director, Pacific, Western and Northern Region, Federal Environmental Assessment Review Office also attends EPCC meetings in an ex-officio role.

Working Committees

Three working committees have been established to assist the EPCC, as illustrated:

- Environment Committee;
- Social Committee; and
- Economics Committee.

These working committees are convened on an ad hoc basis when warranted by specific energy project proposals.

Figure 2 identifies the inter-agency administrative framework, including the working committees' broad areas of interest, their functions and composition. Members represent agencies whose mandates may be affected by an energy project.

FIGURE 2

INTER-AGENCY ADMINISTRATIVE FRAMEWORK

ENERGY PROJECT COORDINATING COMMITTEE

Ministry of Energy, Mines & Petroleum Resources
(Energy Project Analysis Branch)
Ministry of Environment, Lands & Parks
(Environmental Assessment Branch)
B.C. Utilities Commission
(Regulatory Affairs and Planning)
Federal Environment Assessment Review Office
(ex-officio member)

WORKING COMMITTEE	ENVIRONMENT	SOCIAL	ECONOMICS
AREA OF GENERAL INTEREST	Resource Management Land Use Planning	Regional and Community Development Planning Social Service Policies	Energy Policy Industial Strategy Taxation/Financial Policy
FUNCTION REGARDING APPLICATION AND PROJECT	Environmental Impact Analysis Benefit / Cost Analysis Mitigation/Compensation Permitting	Impact Analysis Social Services Mitigation / Compensation Permitting	Energy Policy Demand / Supply Forecasting Economic / Financial Feasibility Benefit / Cost Analysis
MEMBER AGENCIES	Environment, Lands & Parks* Forests Agriculture, Fisheries & Food Transportation & Highways Energy, Mines & Petroleum Resources Municipal Affairs, Recreation & Housing Aboriginal Affairs	Municipal Affairs, Recreation & Housing* Attorney General Transportation & Highways Social Services Economic Development, Small Business & Trade Tourism & Culture Education Aboriginal Affairs Advanced Education, Training & Technology	Energy, Mines & Petroleum Resources* B.C. Utilities Commission Finance & Corporate Relations Economic Development, Small Business & Trade

* Currently chairs working committee

PART TWO: THE APPLICATION PROCESS

The content requirements for an Energy Project Certificate Application are identified in Regulation 388/80 of the Utilities Commission Act (see Appendix 2). The stages in the Energy Project Certificate Application process are outlined in Figure 3. Appendix 7 outlines relevant provincial/federal statutes and permit requirements which may apply to various regulated projects.

The application process is organized to facilitate ongoing consultation between the proponent and government agencies in the early project planning stage. It recognizes that the phasing of project planning can be important in the efficient development of an application. The proponent has the opportunity to seek considerable information, advice and response from government agencies before submitting a formal application. For example, the working committees will also provide advice regarding specific requirements of the Regulation and standards for an application.

Preliminary discussions help the proponent define specific study requirements and methodologies and locate possible data sources. This ongoing consultation process ensures that government permit and approval requirements are identified and addressed during the planning studies and project design.

PRE-APPLICATION PHASE

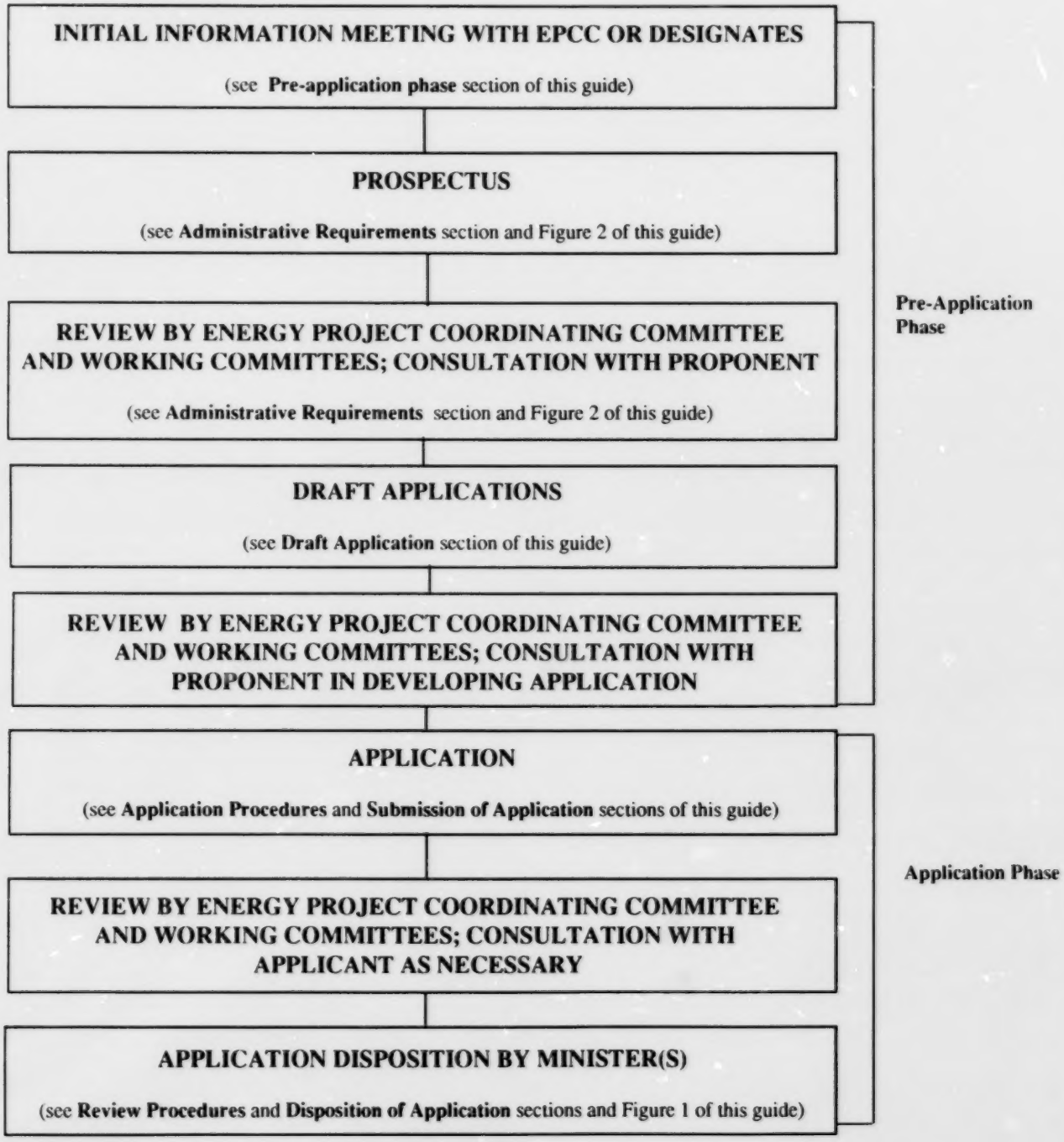
To facilitate the preparation and review of an application, the applicant is encouraged to arrange a meeting with the EPCC or its designate. The contents of the prospectus and information requirements for the draft application will be discussed at that time. An informal presentation of the proposal may be useful for the EPCC. Information requirements outlined in the following sections will be tailored to fit the scale of particular proposals.

Preliminary studies and reports should be submitted to the EPCC for distribution to working committee representatives. The number of copies will be specified by the EPCC.

An informal review of pre-application documents by the EPCC, working committees and the interested public ensures that the broad requirements of B.C. Regulation 388/80 will be addressed satisfactorily. Review of pre-application documents provides an opportunity for government agencies and members of the public to identify information gaps prior to formal application by the proponent. Further work, including additional drafts of the proposed application, may be necessary to address outstanding concerns. Proponents will also be advised at this point if the proposal is unlikely to be granted approval.

FIGURE 3

ENERGY PROJECT CERTIFICATE APPLICATION PROCESS


INITIAL INFORMATION MEETING WITH EPCC OR DESIGNATES
(see Pre-application phase section of this guide)
PROSPECTUS
(see Administrative Requirements section and Figure 2 of this guide)
REVIEW BY ENERGY PROJECT COORDINATING COMMITTEE AND WORKING COMMITTEES; CONSULTATION WITH PROPONENT
(see Administrative Requirements section and Figure 2 of this guide)
DRAFT APPLICATIONS
(see Draft Application section of this guide)
REVIEW BY ENERGY PROJECT COORDINATING COMMITTEE AND WORKING COMMITTEES; CONSULTATION WITH PROPONENT IN DEVELOPING APPLICATION
APPLICATION
(see Application Procedures and Submission of Application sections of this guide)
REVIEW BY ENERGY PROJECT COORDINATING COMMITTEE AND WORKING COMMITTEES; CONSULTATION WITH APPLICANT AS NECESSARY
APPLICATION DISPOSITION BY MINISTER(S)
(see Review Procedures and Disposition of Application sections and Figure 1 of this guide)
Pre-Application Phase
Application Phase

PRE-APPLICATION PHASE (Cont'd.)

Proponents may also be asked to forward copies of pre-application documents to specified groups or individuals, such as local governments, aboriginal groups, public interest groups, local public libraries, and any other party that may be interested in, or potentially affected by, the project. The proponent is responsible for providing reasonable access to information by responding to and distributing copies of project documents to interested parties.

The length of the pre-application phase will depend upon the complexity of individual projects and the completeness of the submissions. The review time for the prospectus and draft application will vary from project to project. The objective is to coordinate agency reviews and provide unified comments approximately two months after receipt of the pre-application documents. This timeframe may need to be extended in certain cases.

Prospectus

The purpose of the prospectus is to introduce and provide a description of the proposed project, its rationale and planning schedule, as well as preliminary study work and the proposed public consultation program. Once submitted, the prospectus initiates a review process that will involve appropriate provincial and federal agencies. This review identifies areas of concern associated with the proposal and related regulatory requirements for the proponent. Direct contact with technical staff of relevant ministries is encouraged where particular expertise is sought. This can be coordinated by the EPCC or chairpersons of the working committees.

The prospectus should include a concise resume of the project description and alternative candidate site(s) (clearly shown on regional and local-scale maps), project rationale, public consultation program and preliminary studies. In most cases, the length of the prospectus document need not exceed 15-20 pages of text with more detailed information contained in appendices.

The **Project Description** part of the prospectus should provide a summary of project planning to date. This should include a description of proposed facilities related to the project, alternative candidate site(s) under consideration, manpower estimates and approximate schedules for project planning, approval and construction. Maps of the project study area should clearly show the highway system and accessing roadways to alternative candidate site(s). Preliminary facility design and layout should also be included where possible.

The **Project Rationale** part of the prospectus should outline the purpose of the proposed project, the general implications for energy supply and demand in the province, and the benefits to the province of the project. It should include discussion of known issues and constraints on the project.

A **Public Consultation Program** is encouraged well before submitting a formal application. The prospectus should contain an indication of how the proponent intends to bring together businesses, local interest groups and individual community members to discuss the proposed project. The prospectus should also indicate how and at what stages this input will be incorporated into the ongoing project planning process. Appendix 3 provides more detailed information about public consultation in the EPRP.

Prospectus (Cont'd.)

The **Preliminary Studies** part of the prospectus should briefly convey information gathered to date and further studies proposed to be undertaken and submitted as part of the draft application. This may include:

- A Preliminary Environmental and Socio-Economic Assessment of alternative locations for the project, including a general assessment of impacts associated with the preferred location(s);
- A Preliminary Procurement Plan, based on competitive sourcing from British Columbian, Canadian and international suppliers. Project developers are encouraged to contact the B.C. Purchasing Commission very early in the EPRP for procurement information and services which may assist them in achieving lower costs (refer to Appendix 6 for more infor mation);
- A detailed Terms of Reference for project justification studies and environmental and socio-economic impact assessment required by B.C. Regulation 388/80; and
- A preliminary List of approvals, licences and permits required under provincial laws.

Draft Energy Project Certificate Application

The draft Energy Project Certificate Application (EPCA) should be an integrated statement embracing all of the aspects set out in B.C. Regulation 388/80. The detailed assessment studies will normally be submitted as supporting documentation to the draft application document.

The contents of the draft EPCA document should be as close as possible to the final application. It should expand on the prospectus to satisfy the requirements outlined in B.C. Regulation 388/80 and the information needs of the participating review agencies. A good quality and complete draft EPCA will reduce the need for additional drafts and allow a timely review of the formal application.

The following elaborates on the requirements contained in the regulation.

Project Description:

The application should include a full description of the project, its purpose, capital and operating costs over time, its timetable, and the related aspects of ancillary facilities and new infrastructure, as outlined in B.C. Regulation 388/80. The location requirements and design and operation specifications, including the disposition of waste products, for all project facilities should be included in this description. The project description should also indicate the requirements for the acquisition of private and/or Crown lands.

Maps of the project study area should clearly show the highway system and accessing roadways to alternative candidate site(s) as well as surrounding areas of topographical importance. Preliminary facility design and layout should also be included for the preferred candidate site.

Environmental and Socio-Economic Impact Assessment:

The environmental and socio-economic impact assessment report(s) should summarize the site/route selection, and provide a detailed description of impacts and proposals for impact management.

Draft Energy Project Certificate Application (Cont'd.)

The report should:

- Identify and assess the major environmental and socio-economic impacts associated with each alternative site or route (e.g., impact on the existing transportation infrastructure as well as new routes to be constructed specifically for the project); and undertake a selection of a preferred alternative on the basis of a comparison of technical engineering, environmental, socio-economic and cost criteria.

- Identify and assess in detail the environmental, social and economic impacts associated with the preferred location(s) and present proposals for reducing negative impacts and obtaining the maximum benefits from positive impacts.

- Outline proposed plans and procedures for site-specific impact mitigation and/or compensation and their implementation.

- Outline proposed plans and procedures for field inspection and monitoring programs for ensuring compliance and management of impacts.

- Outline the plans and procedures for clean-up, revegetation, reclamation and abandonment of the project or ancillary facilities, as applicable.

Specific information requirements on environmental and socio-economic impacts can be developed with reference to the appended biophysical, land use, and socio-economic information, and consultations with specific reviewers or the working committees, if appropriate. An early commitment on the part of the applicant to an impact management strategy is highly recommended. Appendix 5 provides more information about impact management measures.

Many of the project design details and specific impact management strategies may still require further development, in consultations with various agencies or groups throughout the review process. Final plans, therefore, need not necessarily be complete by the application stage, but should address the general requirements outlined above. However, the proposed approach to impact management should be specified.

Project Justification:

The purpose of project justification is to provide review agencies with sufficient information on the economic and financial viability of the project, the overall benefits and costs to the province, and the potential effects upon energy resources and energy use.

The scope of information requirements within this section will depend upon the size and nature of the project and the potential for externalities and government subsidies. Specific requirements may be established to suit project characteristics. In general, project justification should address:

- Energy supply and demand forecasts;

- Examination of alternative sites/routes;

- Technical feasibility of the project;

- Financial feasibility information on both financial arrangements and evidence of commercial viability;

- Procurement plans which support and encourage the development of British Columbia and Canadian industry by contracting with suppliers of goods and services for the project on the basis of competitiveness and best value to British Columbia and Canada; and

- Economic information on all project benefits and costs and their distribution, including non-quantifiable benefits and costs.

Appendix 3 details the type of information required for the above assessment.

Draft Energy Project Certificate Application (Cont'd.)

Public Consultation:

The draft EPCA should contain a detailed description of the applicant's public information and consultation program. This should include a report on ongoing or proposed public notices, meetings and workshops, and other public consultation. It should also contain a summary of the information disseminated, public responses, concerns raised, attempts made to resolve these concerns and issues that remain unresolved to date. Appendix 4 provides more detailed information about public consultation in the EPRP.

List of Approvals, Licences and Permits:

This information is requested to provide government agencies with advance notice of approvals sought under other provincial statutes and to assist the project review process. The applicant will be advised about the coordination and timing of applications for other necessary approvals. Section 3.4 provides more information about ancillary applications.

APPLICATION PHASE

Submission of Application

An Energy Project Certificate Application under Section 18 of the Act must contain the information required by B.C. Regulation 388/80 and be presented in the format prescribed above. The formal application provides more detail and the results of proposed studies and the public consultation program. The facts contained in the formal application should be supported by affidavit (see Appendix 8).

It is recommended that export project proponents submit Energy Removal Certificate Application(s) with their EPCA. Export contract(s) should also be in place before submission of an EPCA.

An original, signed application, accompanied by supporting material and studies, should be delivered to the Minister of Energy, Mines and Petroleum Resources, Parliament Buildings, Victoria, B.C., V8V 1X4 (see Appendix 8). Thirty copies of the application documents should also be forwarded to the Director, Energy Project Analysis Branch, Energy Resources Division, Ministry of Energy, Mines and Petroleum Resources. Additional copies of an application may be requested by the minister.

Disposition of Application

An applicant will be notified as to the disposition of an application pursuant to Section 19 of the Act. (The Ministry of Energy, Mines and Petroleum Resources may issue press releases upon disposition of an application, issuance of public hearing terms of reference and upon certification decisions.)

Enquiries regarding the submission of an application should be directed to: Director, Energy Project Analysis Branch, Ministry of Energy, Mines and Petroleum Resources.

PART THREE: OTHER CONSIDERATIONS

This part of the guide sets out important related considerations for proponents and interested parties involved in the Energy Project Review Process.

RELATIONSHIP TO OTHER INTEGRATED REVIEW PROCESSES

Proponents will be advised at the earliest opportunity whether their project is regulated under Part 2 of the Act, whether other integrated review procedures will apply to the project, or both.

Mine Development Assessment Process (MDAP)

Regulated projects will usually be reviewed through the three working committees. However, in the case of coal and metal mine projects subject to Part 2 of the Utilities Commission Act, the existing review committees under the MDAP will provide the necessary review of the proposal.

Major Project Review Process (MPRP)

The MPRP applies to the construction or expansion of production facilities within a number of industries. Generally, these fall into four main categories: pulp and paper production; mineral smelting and refining; chemical production; and, major port developments.

Energy projects regulated under Part 2 of the Act will not normally be subject to the MPRP. However, review procedures under these guidelines might be used for the development of an application, where deemed appropriate by the EPCC. Where a project is not regulated under Part 2 of the Utilities Commission Act, the MPRP guidelines may be applied as a means of evaluating a project.

In certain cases projects that are nominally subject to the MPRP may also trigger the EPRP because of sizable energy use or energy generation aspects. Project proponents will be notified about the nature of the review process they will be subject to shortly after informing the provincial government of their development plans. The goal is to avoid duplication in the approvals process through "one window" project review arrangements wherever possible.

Federal Environmental Assessment and Review Process (EARP)

The Federal Environmental Assessment Review Office representative, who attends EPCC meetings in an ex-officio role, will provide advice on whether an energy project under review could also be subject to federal environmental assessment requirements and suggest ways to satisfy these requirements. This may include the possibility of a co-jurisdictional project review process if a federal interest is determined.

It should be noted that the responsibility for applying EARP rests with the individual federal departments who have decision-making responsibilities relating to the project under consideration (e.g., the Department of Fisheries and Oceans if fish habitat could be affected or the National Energy Board where it has a regulatory function).

PROVINCIAL FIDUCIARY DUTY TOWARDS ABORIGINAL PEOPLE

The province has a fiduciary duty towards the aboriginal people of British Columbia not to arbitrarily or unduly interfere with aboriginal cultural or subsistence activities on unoccupied Crown Land. Where a provincial policy or proposed project may interfere with those activities, the province must undertake "best efforts" to accommodate traditional aboriginal activities or to reach alternatives with the affected aboriginal groups.

The province's fiduciary duty towards aboriginal people will be accommodated in the Energy Project Review Process as follows:

- Proponent's public consultation processes must include active consultation with affected aboriginal bands and tribal councils in the region where the proposed activities will take place;
- Consultation should be initiated early on in the pre-application phase of the EPRP and be continued throughout the process, including after the submission of an EPCA;
- All public concerns with a proposal, including aboriginal ones, are expected to be addressed by the proponent and appropriate impact management measures be included in the EPCA;
- Aboriginal peoples in the study area may be consulted by the EPCC for their input into the terms of reference for a public hearing, should such a hearing be required; and,
- Aboriginal bands and tribal councils will be included on the provincial/federal/local government review team for a proposal in their region.

The fiduciary duty rests with the province although the responsibility for meeting this obligation is delegated, in part, to the proponent's public consultation process. Therefore, an important aspect of the EPRP is an assessment of the adequacy of the proponent's consultation process. Both the proponent and provincial agencies are encouraged to document such consultations with affected aboriginal groups.

PROCUREMENT

The B.C. Purchasing Commission participates in the EPRP through the review of required Energy Project Procurement Plans and Benefit Plans. Procurement and Benefit Plans are to be based on competitive sourcing and are to specifically identify opportunities for British Columbia and Canadian suppliers, for all major projects undertaken in the province.

Proponents are required to provide details of their procurement needs to the B.C. Purchasing Commission early in the application process by way of a Preliminary Procurement Plan. Proponents should meet with the B.C. Purchasing Commission staff at the Prospectus Stage to develop a suitable Procurement Plan.

PROCUREMENT (Cont'd.)

The EPCA requires inclusion of a more formal Benefits Plan, as described in Appendix 6. Contracting with suppliers of goods and services for the project on the basis of competitiveness and best value to British Columbia and Canada requires competitive tendering. This is to be achieved through provision of relevant tender information, as identified in the approved Benefits Plan, to the B.C. Purchasing Commission for placement on the British Columbia Business Network.

Project developers may also be provided with procurement information which may assist them in achieving lower costs. (Refer to the Procurement Section and Appendix 6 for more information.)

CONFIDENTIALITY

All pre-application documents and the formal EPCA will be available to the public. In addition, the compendium of review agency comments on pre-application and application documents will also be available to the public upon request.

Proponents may request that certain proprietary information in pre-application documents and the EPCA remain confidential. For example, the minister may, upon request, exempt feasibility studies/reports from being made public.

The portions of the documents which the proponent wishes to remain confidential should be sent to the minister under separate cover, accompanied by an explanation of the reasons for confidentiality. If the minister declines to accept the request for confidentiality, all the information, including any copies, will be returned to the applicant.

ANCILLARY APPLICATIONS

A draft EPCA should contain a list of approvals, permits or licences required under the Waste Management Act, the Water Act and all other federal, provincial and municipal statutes. Applicants should include as much information as possible on the proposed activity that requires an approval, permit or licence.

All application(s) for permits and licences pursuant to the Waste Management Act and/or Water Act should be initiated simultaneously with the submission of a draft EPCA.

An applicant requiring a permit under the Waste Management Act is required to make application(s) pursuant to the Waste Management Act. The applicant should contact both the appropriate Regional Waste Manager, Ministry of Environment, Lands and Parks, and the Executive Director of Environmental Protection Division, Ministry of Environment, Lands and Parks to determine other relevant application requirements.

ANCILLARY APPLICATIONS (Cont'd.)

Similarly, an applicant requiring a licence under the Water Act should initiate the application(s) process pursuant to the Water Act. In addition to making application via the Water Recorder in the appropriate Water District, an applicant should contact the Comptroller of Water Rights, Ministry of Environment, Lands and Parks to determine other relevant application requirements.

Applicants may be requested, in certain circumstances, to also apply for approvals (either issued in lieu of a permit or licence where action does not exceed six months or issued to authorize the construction of works in and about a stream) under the Waste Management Act or Water Act, simultaneously with an application for an Energy Project Certificate. This is to ensure that significant issues related to these statutes are addressed concurrently with the EPRP.

While the EPRP is designed to coordinate and streamline the provincial agency review and approvals process, it is ultimately the responsibility of each applicant to ensure compliance with all federal, provincial and local government enactments. Appendix 7 contains a list of the relevant provincial/ federal statutes that may apply to energy projects, but this list is not exhaustive. Permits, licences and approvals under other provincial statutes may be applied for at times considered appropriate by the agencies having jurisdiction.

APPENDIX 1 - Utilities Commission Act Part 2

Interpretation

16.(1) In this Part the following words mean:

energy

· includes every form of energy;

energy operation certificate

· a certificate issued by the Lieutenant Governor in Council under this Act, authorizing the holder of the certificate to operate a regulated project;

energy project certificate

· a certificate issued by the Lieutenant Governor in Council under this Act, authorizing the holder of the certificate to construct a regulated project;

energy resource

· natural gas and oil, and all other forms of petroleum and hydrocarbon, in gaseous or liquid state, and electricity;

energy transhipment terminal or **energy storage facility**

· a place where an energy resource is accumulated or stored in bulk as part of the process of being transported or distributed;

energy use project

· a mill, factory, plant, smelter, oil refinery, metal refinery or other undertaking or facility designed to use, convert or process an energy resource or coal, or any combination of them, at the rate of 3 PJ or more a year, and for the purpose of this definition an energy resource other than electricity is used, converted or processed at that rate where it is of a quantity capable of yielding that amount of energy by combustion;

hydroelectric power plant

· a facility for the generation of electricity, from the motion of water, or the position or potential motion of water, and includes associated dams, diversion works, water conduits and all structures, machinery, appliances, fixtures and equipment;

regulated project

(a) an electric transmission line of 500 kV or higher voltage or a substation with which such a transmission line is connected, or both,

(b) an energy transhipment terminal or energy storage facility, capable of storing an energy resource in a quantity that is capable of yielding by combustion 3 PJ or more of energy,

(c) an energy use project,

(d) a transmission pipeline capable of transporting in one year natural gas, oil or solids, or a liquid of gas derived from them, in a quantity that is capable of yielding by combustion 16 PJ or more of energy,

(e) a hydroelectric power plant that has a capacity of 20 MW or more of electricity,

(f) a thermal electric power plant that has a capacity of 20 MW or more of electricity,

(g) an addition by which

(i) 20 MW or more of electricity capacity, or

(ii) 20 average annual MW or more of firm energy capability will be added to a hydroelectric or thermal electric power plant, and

(h) an addition to a project referred to in any of paragraphs (a) to (d), where the addition, if constructed alone, would fall within any of those paragraphs and not withstanding that the addition is to a project referred to in paragraph (i) or (j),

but **regulated project** does not include

(i) a project that is complete or in operation before this Act comesinto force, or

(j) a project in respect of which, before this Act comes into force, site preparation or the fabrication, construction, installation or supply of buildings, equipment, machinery or other facilities has begun;

review

· a review under section 20;

thermal electric power plant

· a facility for the generation of electricity from the combustion of natural gas, oil, petroleum products, coal, wood or plant products or from the use of geo-thermal energy, and includes all associated structures, machinery, appliances, fixtures and equipment, and storage and handling facilities;

transmission pipeline

· a pipe or system of pipes through which natural gas, oil, solids, or a liquid or gas derived from natural gas, oil or solids, whether in suspension or other form is transported and includes compressor or pumping facilities and other equipment related to the operation of the transmission pipeline, associated terminal or storage facilities, but does not include

(a) flow lines from wells
(b) secondary lines for gathering that are located within a producing area, or
(c) distribution lines that deliver to ultimate consumers.

(2) The Lieutenant Governor in Council may designate as a regulated project an undertaking of any kind that he considers to be significant in the matter of energy, notwithstanding that the undertaking is a project referred to in paragraph (i) or (j) of the definition of regulated project, and an undertaking that is so designated shall be deemed for the purposes of this Act to be a regulated project.

Energy Project and Operation Certificates

17.(1) No person shall, except to the extent that he is authorized to do so under section 19(1)(c) or by a certificate of public convenience and necessity,

(a) construct a regulated project except in accordance with an energy project certificate, or
(b) operate a regulated project except in accordance with an energy operation certificate.

Application for Certificate

18.(1) An application for an energy project certificate or for modification of it or of an energy operation certificate shall be made to the minister and shall contain information the minister prescribes.

(2) The minister may, where
(a) application is made for an energy project certificate, or
(b) he considers desirable

invite applications for energy project certificates from other persons who may be interested in undertaking similar or related projects, and may specify a time limit within which applications must be made.

Minister's disposition of application

19.(1) On receipt of an application under section 18 the minister may:

(a) with the concurrence of the Minister of Environment [Lands

and Parks], refer the application to the commission for a review,

(b) order, in a case where the application is made by a public utility, that the application be dealt with by the Commission under Part 3 as an application for a certificate of public convenience and necessity,

(c) with the concurrence of the Minister of Environment [Lands and Parks], order that the construction and operation of the regulated project is exempt from provision of the Act specified in the order, or

(d) reject the application.

(2) Where the minister refers an application to the Commission, he may designate a commissioner or temporary commissioner to act as chairman for the purpose of the review.

(3) An order under section 19 (1) (c) may include any conditions that could be included in an energy project certificate or energy operation certificate under section 21 (1) (b) , and a person constructing or operating the project is bound by them in the same way as if they had been included in an energy project certificate or energy operation certificate issued to the proponent.

Review by Commission

20.(1) Where an application for an energy project certificate is referred to the commission for a review, the commission shall, subject to subsection (3), hear the application in public hearing in accordance with terms of reference specified jointly by the Minister of Energy, Mines and Petroleum Resources and the Minister of Environment [Lands and Parks], and on conclusion of the hearing shall submit a report and recommendations to the Lieutenant Governor in Council.

(2) The terms of reference may include a requirement that the commission consider and recommend whether an approval, licence or permit or an amendment to any of them should be made, given or issued under section 4,5,7,8,9, or 10(4) of the Waste Management Act or section 6,7,10 or 11 of the Water Act.

(3) The commission may, for the purpose of receiving information or evidence that the commission considers is of a confidential character, exclude the public from the hearing while it receives that information or evidence.

Disposition of application by Lieutenant Governor in Council

21.(1) On receiving the report and recommendations of the commission the Lieutenant Governor in Council may order

(a) that the energy project certificate applied for be refused,

(b) that the energy project certificate applied for be issued subject to conditions he considers to be in the public interest, and the conditions may include

(i) a requirement that natural gas used by or in connection with the construction and operation of the project be supplied only under a contract which

(A) includes as parties the British Columbia Petroleum Corporation and the operator of the project, and

(B) includes terms specified by the Lieutenant Governor in Council,

(ii) other conditions that the Lieutenant Governor in Council considers necessary to be included in an energy operation certificate for the project, and

(c) that an approval, licence or permit or an amendment to any of them referred to in section 20 (2) be made, given or issued, subject to any terms or conditions the Lieutenant Governor in Council specifies and the order is final and binding.

(2) Where the Lieutenant Governor in Council gives a direction referred to in sub-section (1)(c), the person, board, tribunal or agency that has, apart from this Act, the authority or power to issue or decide to make, give or issue the approval, licence or permit or amendment shall, notwithstanding anything in the Waste Management Act or the Water Act, make, give or issue it in accordance with the direction, and the making, giving or issuance is final and not subject to any review or appeal under those Acts.

(3) On completion of the construction of a regulated project for which an energy project certificate was issued, the Lieutenant Governor in Council shall, on being satisfied that the conditions of the energy project certificate have been substantially complied with, issue an energy operation certificate for the regulated project, and may include in the energy operation certificate the conditions referred to in subsection (1) (b) (i) and (ii).

(4) Where a requirement referred to in subsection (1) (b) (i) is included in an energy project certificate or energy operating certificate,

(a) sections 44, 45, 64, 65, 66, 68, 69, 70 and 71 shall, with respect to the natural gas supplied under the required contract, operate to regulate only the part of the price to be paid for the natural gas by the certificate holder that consists of transportation costs and charges, and

(b) the revenue received by the British Columbia Petroleum Corporation or a public utility in respect of the sale of the natural gas to the holder of the certificate pursuant to the required contract shall not be subject to any levy or other payment pursuant to any agreement made by the municipality before or after this section comes into force under section 646 or 647 of the Municipal Act.

(5) No approval, licence or permit or amendment to any of them given, issued or made under subsection (2), shall be varied without the approval of the Lieutenant Governor in Council.

APPENDIX 2 - B.C. Regulation 388/80

Filed September 16, 1980

Schedule

Application requirements under Section 18 of the Utilities Commission Act

1. An application under Section 18 shall contain the following information:

(1) **Application for an Energy Project Certificate**

(a) Applicant
- (i) the name, address and nature of business of the applicant and all other persons having a direct interest in the ownership or management of the project;
- (ii) evidence of the financial and technical capacity of the applicant and other persons involved, if any, to undertake the project;
- (iii) the name, title and address of the person with whom communication should be made respecting the application;
- (iv) the name and address of legal counsel for the applicant, if any;

(b) Project Description
- (i) a description of the project, its purpose and cost, including all ancillary or related facilities that are proposed to be constructed, owned or operated by the applicant;
- (ii) an outline of the anticipated timetable for construction, operation, abandonment and reclamation, as applicable, together with dates by which critical events must take place to ensure continued economic viability;
- (iii) a description of any new or expanded public works, undertakings or infrastructure that will be entailed by the project, together with an estimate of the costs and necessary completion dates;
- (iv) identification and preliminary assessment of any impacts by the project on the physical, biological and social environments; and proposals for reducing negative impacts and obtaining the maximum benefits from positive impacts;

(c) Project Justification
- (i) studies of the technical, economic and financial feasibility of the project, identifying assumptions and sources of data;
- (ii) a study estimating the value of all the project's costs and benefits and their distribution or, where not quantifiable, identifying the cost or benefit and stating that it cannot be quantified;

(d) Ancillary Applications
- (i) a list of approvals, permits or licenses required under the Waste Management Act and Water Act, and whether they are being sought as part of the present application;
- (ii) a list of other approvals, permits or licenses required under federal, provincial and municipal law;

(e) General
- (i) a description of the applicant's public information and consultation program;
- (ii) other information as required by the minister, including supplementary information to clarify information contained in the application.

(2) **Application for Modification to an Energy Project Certificate or Energy Operation Certificate**

(a) the name, address and nature of business of any person who has a direct interest in the ownership or management of the project and who did not have an interest at the time of the previous application;

(b) a description of the proposed modification and explanation of its purpose;

(c) an assessment of the effects of the proposed modification in relation to the information and analyses contained in the original application;

(d) other information with, or to supplement, the application as required by the minister, including supplementary information to clarify information contained in the application;

(e) a copy of the existing Energy Project Certificate or Energy Operation Certificate.

APPENDIX 3 - Information Requirements

INTRODUCTION

The following information requirements provide guidance on the methodology and the type of information required in an Energy Project Certificate Application. Information in these categories assists both the proponent and government in the development of an acceptable project design and in the management of project impacts. Since projects vary in nature and severity of impacts, the specific terms of reference for studies should be prepared in consultation with the working committees.

Section 1 below provides detail on the type of information required for project justification studies. Some overlap exists with socio-economic impact information, but this does not imply duplication of studies.

Section 2 outlines the general procedures for location of an optimum site/route. The particular steps and level of assessment can be adjusted, in consultation with the EPCC and reviewers, to suit project design and circumstances.

Section 3 and 4 describe the types of information related to the inventory, assessment, mitigation and compensation of biophysical, land use and socio-economic impacts. The relevance of each component to an individual project must be determined in consultation with the working committees and with appropriate government agencies. Specific requirements will vary depending upon project characteristics.

PROJECT JUSTIFICATION

Supply/Demand Forecasts

In order to demonstrate the need for energy provided by the project, and/or the availability of energy for the project, relevant forecasts of energy demand and supply are to be provided. These forecasts should be fully documented as to data used, assumptions, methodology and supporting rationale.

The data requirements may be limited to forecasts for this project; in other cases, they may encompass regional or provincial forecasts, where a project has broad implications for energy supply and demand. The scope of this forecast data will be determined by project characteristics and will be specified in discussions with the EPCC.

Other Technical Data

Other relevant energy information related to the technical feasibility of a proposed project should be included where it bears upon project justification. This may include aspects of system engineering, efficiency, and security of supply benefits and other public interest matters.

Financial Feasibility

In order to assess the commercial viability of a project and the potential risks for public investment, subsidy, infrastructure or services, the applicant should submit relevant financial information. The information should normally provide:

(a) a description of financial arrangements, including sources of financing and debt/equity ratio; and,
(b) a description and evidence of commercial viability, including sensitivity to changes in major cost items and market fluctuations; this may include discounted cash flow return on investment, where appropriate.

Procurement

The assessment of economic effects of a project requires the inclusion of a Benefits Plan based upon competitive sourcing, where relevant project tender information is to be placed on the British Columbia Business Network as opportunities open for bidding (refer to Procurement Section and Appendix 6 for more information on procurement).

Benefits and Costs

Taking into account the preceding information, an application should provide as per B.C. Regulation 388/80: "a study estimating the value of all the project's costs and benefits and their distribution or, where not quantifiable, identifying the cost or benefit and stating that it cannot be quantified." In some cases this study may be limited to a summary of major costs and benefits. In other cases, where determined necessary by the EPCC and reviewers, it may encompass a full accounting of all costs and benefits. It should normally employ the principles set out in the Guidelines for Benefit-Cost Analysis (Environment and Land Use Committee, 1978) and state other assumptions and methods, including sensitivity analyses agreed upon with the EPCC.

The study should include the following:

- Capital and operating costs over time;
- Estimates of government taxes and royalties at the local, provincial and federal levels;
- Estimates of government costs of subsidies, including infrastructure and services;
- Estimates of total direct labour income during construction and operation;
- Summary of all quantifiable direct benefit and costs to B.C. residents and their distribution;
- Summary of all non-quantifiable direct benefits and costs to the residents of B.C., and their distribution; and
- Where appropriate, the net present value of the project, and sensitivity to changes in major cost items and variations in the discount rate.

SITE AND ROUTE SELECTION PROCESS

To minimize adverse impacts and maximize beneficial impacts, as indicated by the Regulation, the proponent should ensure that an optimum location is proposed. Environmental and socio-economic impact assessments should provide sufficient justification for the proposed location of a project. In some cases, project location is strictly dependent upon energy resource, infrastructure or other parameters and few or no alternative locations will exist. In other cases, considerable flexibility will exist in selecting a site or route. The extent of analysis, therefore, can be adjusted accordingly.

The following steps briefly outline the general information and procedures for the selection of a site or route. This should achieve the best balance between low impact on the quality of the environment and interference with or dislocation of human activities, and total cost of the project. The approach suggests a phased examination of a broad study region, the area or corridor options within this region, and the subsequent site or route options.[1]

Field inventory work should accord with the data collection and classification procedures recommended by provincial agencies.[2]

A detailed, working scale map showing site/route locations and alternatives should also be provided.

[1] Corridor is defined as a linear strip of land of varying width within which it is possible to locate at least one feasible right-of-way.

[2] For example: Describing Ecosystems in the Field, Ministry of Environment/Ministry of Forests, 1980; Aquatic System Inventory and Analysis, Ministry of Environment 1977; Terrain Classification System, Ministry of Environment 1976; Laboratory Manual for the Chemical analysis of Waters, Wastewaters, Sediment and Biological Tissues, Ministry of Environment, 1976.

Define Study Region

The boundaries of an initial study region are delineated based upon a reasonable judgement. This should include a brief rationale as to how these were defined (e.g., energy source, markets, major physical barriers, distance constraints).

Identify Alternative Locations

The feasible alternatives within this region are identified on the basis of: (a) technical engineering requirements and constraints, (b) environmental (biophysical and land use) constraints, and (c) socio-economic constraints. The regional limitations to a location may become apparent through an overview description of major resource and land uses and capabilities, social and community characteristics and the technical, system and engineering constraints.

Assess and Compare Location Alternatives

Each of the alternative locations is then assessed on the basis of: (a) technical/engineering difficulty, (b) environmental features and impacts, (c) socio-economic features and impacts, and (d) cost estimates. This overview inventory and assessment is normally undertaken at a reconnaissance level, providing sufficient data upon which to compare the broad alternatives.

The area or corridor alternatives are compared using the above preliminary assessment data. The proponent may wish to simply rank alternatives, as a basis for seeking government and public feedback in selecting a preferred alternative. In some cases, it may not be possible to select a preferred alternative, in which case, more than one option can be assessed at the following detailed level. This step should identify and provide a preliminary assessment of the preferred location alternative(s).

Assess Preferred Location(s)

A detailed study is undertaken on the preferred area or corridor. This includes an examination of the alternative sites or routes within an area(s) or corridor(s). On the basis of this detailed inventory and assessment, and employing similar criteria as above, the preferred site of route and the related biophysical and socio-economic impacts should be identified.

Identify Impact Management Measures

The impact management measures or plans should be described in as much detail as possible. This includes those measures to be implemented before, during or after construction.

The unavoidable and residual impacts should also be described, along with proposals to mitigate and compensate for such impacts. While it may not be possible to finalize compensation proposals at this stage, the general principles should be outlined. Refer to Appendix 5 for more information on impact management.

Identify Implementation Proposals

The procedures for ensuring that design plans and impact management measures are implemented should be described. This should include details on the preparation of clearing and construction contracts, field procedure manuals, field inspection and reporting arrangements, and impact monitoring undertakings.

BIOPHYSICAL AND LAND USE INFORMATION

Studies for the assessment of impacts may include the following categories. Appropriate areas of investigation, inventory scale, study methodology and timetable, and related parameters should be developed in cooperation with working committees.

Climate and Air Quality

- Temperature, inversions, precipitation, winds;
- Air quality; and
- Influence of terrain on air quality.

Terrain

- Surficial and bedrock geology;
- Soils;
- Slope stability and erosion potential; and
- Permafrost.

Vegetation

- Vegetation types;
- Rare and endangered plants; and
- Revegetation potential.

Agriculture

- Soils and drainage;
- Agricultural capability;
- Forage and horticultural crops;
- Livestock management; and
- Irrigation practices and future requirements.

Forest Resources

- Stand type;
- Age class;
- Site class;
- Operability; and
- Industrial profile.

Mineral and Petroleum Resources

- Coal and mineral potential, and occurrences;
- Petroleum and natural gas resources; and
- Aggregate supplies and quarries.

Water Resources

- Drainage, including proposed dams, water diversion, stream disturbance;
- Water quantity (surface and groundwater), including hydraulic regime data and water withdrawals;
- Water quality (surface and groundwater), including waste discharge and suspended sediments; and
- Community watersheds and other water uses.

Aquatic and Marine Resources

- Benthic and planktonic fauna/flora;
- Fish population and capability;
- Sensitive species, periods and habitat;
- Fishing activity and management;
- Shellfish and marine plant industry; and
- Fish processing industry.

Wildlife Resources

- Wildlife populations and capability;
- Sensitive species, periods and habitats;
- Hunting activity and management; and
- Guiding and trapping.

Recreation and Visual Resources

- Outdoor recreation capability;
- Recreational use;
- Provincial and regional parks, and reserves; and
- Scenic values.

Archaeological Resources

- The physical remains of past human activity, including sites and objects relating to prehistoric and historic period land use and occupancy. Particular emphasis should be placed on consulting with aboriginal communities to help identify sites that have archaeological value or possess cultural significance to them;
- Sites and objects of historical, architectural, archaeological, paleontological and scenic significance; and
- See Archaeological Resource Management Handbook and Archaeological Impact Assessment Guidelines. For further information contact the Ministry of Tourism and Ministry Responsible for Culture.

Environmental Hazards

- Areas with known and/or potential occurrence of hazards such as snow avalanches, landslides, mudflows, windstorms, earthquakes, tsunamis, floods and fire hazards.

Land Tenure, Status and Use

- Private land;
- Crown land, ecological reserves, forest reserves, and other reserves and easements;
- Indian Reserves and lease arrangements;
- Wildlife, fisheries and forest resources utilized by aboriginals for hunting, trapping, gathering and fishing activities;
- Areas identified in comprehensive land claims;
- Agricultural Land Reserves;
- Grazing leases and permits;
- Coal, mineral, petroleum and aggregate reserves and leases;
- Status of plans, zoning (local government, provincial agencies); and
- Land use and access.

Noise

- Decibel levels at various distances from sources; and
- Potential impacts associated with change in noise levels.

Fuels and Hazardous Materials

- Storage, handling and safety measures; and
- Contingency plans for the containment and clean-up of spills of fuel and toxic or other hazardous material.

Waste Management

- Discharges of gaseous, aqueous and solid wastes; and
- Measures to control and/or manage wastes and effects on the receiving environment.

SOCIO-ECONOMIC INFORMATION

Studies for the assessment of impacts may include the following categories. Appropriate areas of investigation, inventory scale, study methodology and timetable related parameters should be developed in cooperation with working committees of relevant individual agencies.

Workforce

- Construction workforce requirements: timing and source of supply;
- Operational workforce requirements: timing and source of supply;
- Projected impacts on regional and provincial labour market;
- Occupational health and safety programs;
- Work schedule;
- Settlement options; and
- Employment opportunities - direct and indirect - for individuals from aboriginal communities during construction, operation and ongoing monitoring phases of the project.

Income

- Total direct labour income during construction and operation;
- Impact on wage levels; and
- Total government revenue: regional, provincial, federal.

Population

- Existing population distribution within project impacted area;
- Demographic characteristics of existing population; and
- Projected population impact during construction and operation of the project.

Human Services Impact

- Projected demand for, and impact on, the facilities and programs for each general service category:

  Education services;
  Recreation services;
  Health care services;
  Social services;
  Communication services;
  Court and judicial services; and
  Fire and police protection service.

Social Impact

(Applies when relocation of residents and/or community is projected.)

- Social stability and adaptability of affected groups/community;
- Cultural services;
- Social costs of relocation; and
- Community integration, character and cohesiveness.

Economic Impact

- Economic impact benefits and costs as indicated in project justification information (Appendix 2, Section 1).

Community Impact

- Housing (housing demand and supply issues during construction and operating phases including capacity of housing market, affordability and company's housing policy);
- Community land (requirements for land for residential, commercial, industrial, institutional and other uses);
- Community infrastructure (demand and supply for sewage systems, water system and other infrastructure); and
- Community social services, community protective services.

Local Government Impact

- Impact on local government plans, finances and organizations (e.g. boundaries, corporate status) and capacity to respond to impact for all local governments likely to be affected by the development.

Regional Impacts

- Impact on existing transportation network and projected demand for expansion of new services;
- Impact on existing public utilities and projected demand for expansion of new services; and
- Impact of increased access into areas where aboriginal people have carried on traditional cultural and subsistence activities.

APPENDIX 4 - Public Consultation

INTRODUCTION

Consultation with the public, in addition to local and senior levels of government, during the planning stages is essential to effective and responsible energy development in British Columbia. This Appendix sets out the recommended principles and procedures for public consultation both before and after an EPCA has been submitted pursuant to Section 18 of the Utilities Commission Act. These public consultation procedures are intended to ensure that applicants take account of public values and concerns early in the project planning process and prepare applications accordingly.

The Ministry of Energy, Mines and Petroleum Resources is committed to encouraging public involvement in the Energy Project Review Process. Early and open consultation between energy project proponents and the public prior to completion of an application for an Energy Project Certificate offers substantial benefits for all participants in the review process.

Not all of the techniques described here may be appropriate for all projects. The extent of public consultation will depend upon the type and scale of the energy project and the level of public interest. A public consultation program should be custom-designed to suit project needs and circumstances. The important element is that all those involved in the process are provided with full information on proposed energy developments and given fair and reasonable opportunities to participate in project planning and review.

PRINCIPLES AND BENEFITS OF PUBLIC CONSULTATION

Public consultation is an ongoing process involving communication and interaction among government, industry and the public. Through it, all parties become better informed about the range of views on issues and proposals. Most importantly, the process provides opportunities to influence the decision-making process. A good public consultation program will result in informed, environmentally and economically sound decisions that are more sensitive and responsive to the values and concerns of all interested parties.

The proponent should seek to involve all interested parties as early as possible so that their concerns can be identified and addressed before irreversible decisions and commitments are made towards a specific approach or proposal. To achieve this, the involvement and contributions of affected parties must be an integral part of the planning process.

Public consultation improves the Energy Project Review Process by:

- Satisfying legitimate public expectations for a fair and open process in which government, industry and the public exchange ideas and information, identify positions and expectations, and work together to develop constructive solutions and strategies on important issues and concerns surrounding a proposal;

- Equipping government and industry with more accurate and timely insight on conditions, concerns, values and priorities that may affect a specific proposal by tapping into local knowledge that may otherwise be overlooked;

- Promoting policies, programs and proposals that are more sensitive and responsive to local public concerns and priorities;

- Mobilizing the full range of industry, community and government resources and expertise in support of building consensus on environmental and economic objectives surrounding a specific proposal;

- Fostering a more favourable climate for decisions by providing accurate information on the proposal and thereby reducing the potential for conflict and delays caused by misunderstandings; and

- Promoting informed, environmentally and economically sound decisions on proposed energy developments.

Figure 4 summarizes the principles of public consultation in project planning. An effective public consultation program during the pre-application phase can result in an application which is endorsed or generally supported by the public and local and senior governments. This pre-application consultation reduces the number of outstanding issues which need to be considered once an application is submitted. It can thereby shorten the review and approvals process by responding to public concerns at an early stage.

PRINCIPLES OF PUBLIC CONSULTATION

Legitimacy of Public Involvement

The public has a right to be informed about development projects and to participate in the project decision-making process.

Two-Way Discussion Process

Public trust and support can only be acquired through a two-way public discussion process of presenting and receiving back information.

Commitment to Consultation

An effective public consultation program requires a clear commitment of support and resources from senior management, as an integral part of project planning.

Consultation Plan

Project proponents should prepare a specific program, adapted to project characteristics and public interests, to guide the consultation process.

Early Contact

Public consultation should be initiated in the early stages of project planning with sufficient time for public review and discussion.

Active Involvement

Direct, pro-active approaches to soliciting public input should be undertaken to encourage the public to become informed and involved in the decision-making process.

Flexibility in Project Design

Sufficient flexibility should be maintained to allow for changes to a proposed project in response to particular public concerns.

Cooperative Techniques

The methods of involving the public should encourage productive, cooperative and non-adversarial discussions with the proponent's staff and consultants.

Follow-up Consultation

Responses to specific public concerns and questions which cannot be addressed during the public discussions should be provided through personal contact immediately after the discussions.

Ongoing Communication

The public consultative process should continue throughout the course of project planning, construction and operation.

FIGURE 4

PRINCIPLES OF PUBLIC CONSULTATION

Legitimacy of Public Involvement
The public has a right to be informed about development projects and to participate in the project decision-making process.

Two-Way Discussion Process
Public trust and support can only be acquired through a two-way public discussion process of presenting and receiving back information.

Commitment to Consultation
An effective public consultation program requires a clear commitment of support and resources from senior management, as an integral part of project planning.

Consultation Plan
Project proponents should prepare a specific program, adapted to project characteristics and public interests, to guide the consultation process.

Early Contact
Public consultation should be initiated in the early stages of project planning with sufficient time for public review and discussion.

Active Involvement
Direct, pro-active approaches to soliciting public input should be undertaken to encourage the public to become informed and involved in the decision-making process

Flexibility in Project Design
Sufficient flexibility should be maintained to allow for changes to a proposed project in response to particular public concerns.

Cooperative Techniques
The methods of involving the public should encourage productive, cooperative and non-adversarial discussions with the proponent's staff and consultants.

Follow-up Consultation
Responses to specific public concerns and questions which cannot be addressed during the public discussions should be provided through personal contact immediately after the discussions.

Ongoing Communication
The public consultative process should continue throughout the course of project planning, construction and operation.

REQUIREMENTS FOR PUBLIC INFORMATION AND CONSULTATION

B.C. Regulation 388/80 to the Utilities Commission Act requires applicants for an Energy Project Certificate to provide:

- A description of the applicant's public information and consultation program; and
- Other information as required by the minister, including supplementary information to clarify information contained in the application.

The guidelines for public consultation in the Energy Project Review Process are summarized below. The purposes of these guidelines are:

- To encourage the design of energy projects which are sensitive to public concerns by involving the public in project planning prior to completion of an application;
- To ensure full public information on proposed projects and the Energy Project Review Process, during the pre-application phases; and
- To satisfy the requirements of B.C. Regulation 388/80.

The province has a fiduciary duty towards the aboriginal people of British Columbia not to arbitrarily or unduly interfere with aboriginal cultural or subsistence activities on unoccupied Crown Land. In practical terms this means that the province and project proponents must make every effort to accommodate aboriginal subsistence activities, or to reach alternatives with potentially affected aboriginal groups. Consultation must involve direct discussion with these aboriginal groups whose traditional activities may be affected by projects or proposals.

Application Guidelines

The description of the public information and consultation program should be presented within a Public Consultation Report which forms part of the EPCA. It should include:

- An outline of the public information program;
- The means and dates of public notification of the proposed project and invitations for public comment;
- The dates and locations of meetings, open houses, displays or other forms of contact with the public;
- The major comments received and issues and concerns identified by the public; and
- The applicant's response to and potential resolution of these issues and concerns.

Public Documents

All application documents, including the project prospectus and draft application under the EPRP are considered public documents. Proponents may also be asked to forward copies of pre-application documents to specified groups or individuals, such as local governments, aboriginal groups, public interest groups, local public libraries or community centres, and to any other party that may be interested in, or potentially affected by, the project. The proponent is responsible for providing reasonable access to information by responding to and distributing copies of project documents to interested parties.

Confidential Information

In certain cases, where sufficiently justified by the applicant, proprietary financial or technical information may be submitted detached from the application document, with a request and explanation as to the reasons that such information not be made public. If the minister declines to accept the request for confidentiality, the information and all copies will be returned to the applicant.

Distribution of Reports

Applicants are expected to provide sufficient copies of project newsletters/summaries, pre-application and application documents to

government agencies, local governments, public libraries, public interest groups and other stakeholders affected by the proposed project.

Government Review Comments

A consolidated set of comments from government agencies on project pre-application and application documents will be provided to the applicant. This compendium of review comments is available to the public upon request.

Government Staff Involvement

Staff of the Ministry of Energy, Mines and Petroleum Resources may attend public meetings and workshops to explain the EPRP.

PUBLIC CONSULTATION PROCESS

The major components of a public consultation program within the EPRP are outlined on Figure 5. Each of the steps in the process, including initial contact, notification, consultation and follow-up discussions, are described below. The scope and form of public consultation will depend upon the particular characteristics of each project.

Design of the Public Consultation Plan

Information collected and contacts established in the initial project planning stages provide a basis for preparing a public consultation plan. This need not be a complicated or extensive document. However, it can be critical to the effectiveness of the consultative process. The proponent should have a clear idea of the objectives to be achieved and the type of approach to be used to meet the objectives.

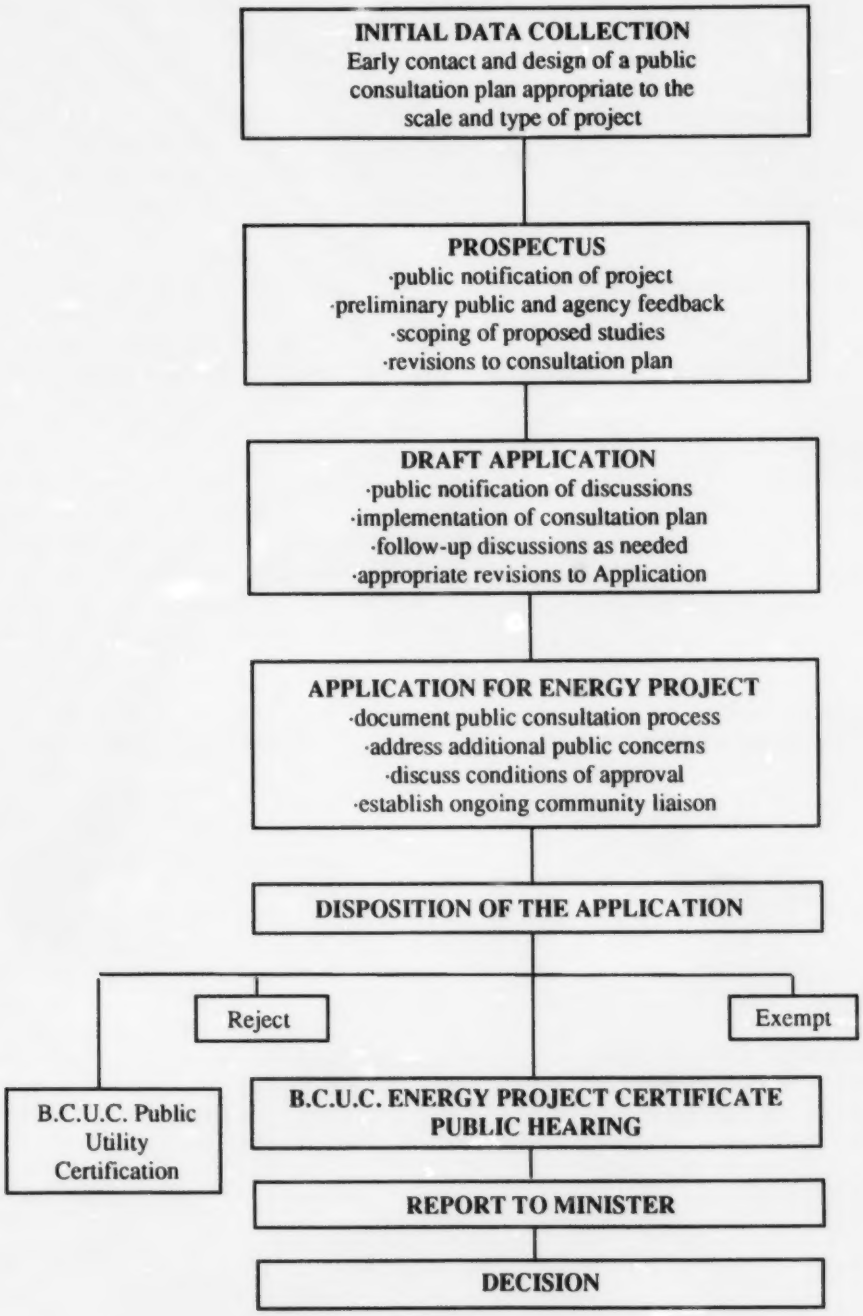
In preparing the public consultation plan proponents should investigate the following:

- **What are the objectives of consultation?** Determine what you want to achieve and how the public input will be utilized in project planning and management.
- **Who is going to be affected?** Determine the various groups, institutions and individuals likely to have an interest in the project. Particular attention should be paid to identifying aboriginal groups and tribal councils in the region where the proposal is located.
- **What are the major issues?** Determine to the extent possible, the key concerns, and the level of concern, to be addressed during the consultation process.
- **What information is required to address the issues?** Determine the technical information which will likely be required in order to respond to the major issues during the consultation process.
- **What methods and materials are appropriate for consultation?** Determine the most suitable form of consultation and the type of written, display or other materials necessary for presenting information to the public.
- **What consultative program is proposed?** Determine the specific timing, location, participants, procedures and resources for the public consultation program.

This public consultation plan should be prepared and implemented as soon as possible after initial contacts have been made with the public. Uncertainties are likely to exist so that flexibility is necessary to adjust the plan during the process. Consideration should also be given to establishing a method for evaluating the effectiveness of the public consultation program.

FIGURE 5

PUBLIC CONSULTATION IN THE ENERGY PROJECT REVIEW PROCESS


INITIAL DATA COLLECTION
Early contact and design of a public consultation plan appropriate to the scale and type of project
PROSPECTUS
·public notification of project
·preliminary public and agency feedback
·scoping of proposed studies
·revisions to consultation plan
DRAFT APPLICATION
·public notification of discussions
·implementation of consultation plan
·follow-up discussions as needed
·appropriate revisions to Application
APPLICATION FOR ENERGY PROJECT
·document public consultation process
·address additional public concerns
·discuss conditions of approval
·establish ongoing community liaison
DISPOSITION OF THE APPLICATION
Reject
Exempt
B.C.U.C. Public Utility Certification
B.C.U.C. ENERGY PROJECT CERTIFICATE PUBLIC HEARING
REPORT TO MINISTER
DECISION

Preparing the Prospectus: Data Collection

Preliminary research into the social, environmental and land use characteristics of potential project locations provides an initial indication of affected "publics." A list of potential participants in the consultative process should be prepared. Background profiles of the communities in the area, development trends and issues and previous public concerns provide useful information in determining the scope of public consultation.

At this stage, preliminary objectives of public consultation should be defined in accordance with the nature of the proposed project.

Submitting the Prospectus: Initial Contact

This stage of initial contact usually involves the preparation and presentation of a project prospectus. The prospectus describes the project in general terms and outlines proposed technical studies and commitments to public consultation. Response to the prospectus provides a preliminary basis for gauging public and government concerns and expectations, and designing the consultation process accordingly.

The proponent should meet with local governments and key interest groups and members of the public to explain the project, to hear key issues and concerns and to receive suggestions on who should be involved and how consultation should proceed. This initial contact is important in establishing a personal relationship between proponent staff and community members.

Submitting the Draft Application: Preliminary Public Review

The purpose of submitting a draft application is to provide an opportunity for government and public feedback on the preliminary planning of the project. This report can assist in focussing the discussion on the key public issues related to project justification, project siting and design and potential environmental and socio-economic impacts and their mitigation.

Public review and discussion of the draft application assists in defining and resolving issues at the early planning stages. It allows for changes to project design and to procedures for managing the effects on the environment and on communities, prior to formal submission of an application for an Energy Project Certificate.

Inviting the Participants: Public Notification

Ensure that the public is notified of the proposed consultation program and is given adequate time to prepare for discussion. Providing information on the project well in advance of public discussions will contribute to better-informed participants. It may be necessary to actively encourage local participation. Opportunities for participation should also be provided for individuals unable to attend the advertised public sessions (e.g., written submissions).

Where the general public is being invited, a notice of proposed public sessions should be published in local newspapers and broadcast on local radio stations at least two weeks in advance of the public sessions. Proponents should be particularly attentive to soliciting aboriginal concerns and issues associated with their proposal.

Implementing the Consultation Plan: Public Discussions

A range of techniques is available to provide for public discussions of a project. These include: individual contact, community presentations, meetings, workshops, open houses, advisory committees, newsletters, questionnaires and various other methods. Once the appropriate methods of consultation are selected, the organization and procedures need to be carefully planned to ensure effective participation. A means of recording participant's views should also form part of the proceedings.

Following Up on Discussions: Response to Public Issues

Follow-up response to specific concerns or questions is usually necessary after the organized public discussions. Participant's comments should be analyzed and, where appropriate, acted upon. The response(s) to public comments may include further consideration of issues related to:

- project justification;
- project siting;
- project design and safety;
- project impact mitigation/compensation;
- project construction; and
- project operations.

Submitting the Application: Report on Public Consultation

The public comments and discussions on the project should be summarized. An application for an Energy Project Certificate should include a report on public consultation. This report should contain a full description of the design, implementation and results of the public consultation program. This includes documenting concerns raised by the public and the proponent's response to public concerns. It should provide detailed documentation of public consultation activities in order to assist subsequent decisions on application disposition, and, in certain cases, subsequent public hearings and review of the application.

After submitting the Application: Ongoing Public Consultation

The public consultation program should continue after submission of the application. Submission of an application may stimulate additional public interest for which the proponent should be prepared to address and to propose mechanisms for liaison with the public and local government during the construction and operation phases.

This stage also provides and opportunity to monitor and evaluate the program's effectiveness and to make any necessary adjustments. This is particularly important for applicants with ongoing energy development projects.

Other Information Sources

Other information sources on this subject include the Public Consultation Guidelines for the Canadian Petroleum Industry (CPA, October 1989), the National Energy Board's, (September 6, 1989) Draft Memorandum of Guidance regarding public notification of proposed applications for federal certification, and the Energy Resources Conservation Board's Information Letter IL89-4.

APPENDIX 5 - Impact Management

INTRODUCTION

Impact management is an important consideration in the design and approval of energy projects in British Columbia. Impact management measures refer to actions which are taken in light of, or in recognition of, the anticipated net negative effects associated with the individual or cumulative impact(s) from a specific energy project or projects. In principle, an impact management plan should be incorporated into any project or activity which has potentially adverse impacts on the natural or socio-economic environment.

The purpose of impact management is to eliminate, reduce or offset real or perceived adverse impacts associated with the siting, construction and operation of a project and, in so doing, to make the project more acceptable to both the host community and the people of British Columbia. The objective of impact management measures is to give full and fair acknowledgement of environmental, resource and social values during project planning and approval. This ensures that these values are fully taken into account in the design of energy projects and decisions on the related use or allocation of public resources.

"Standard" project-related impacts may include effects on the natural environment (e.g., air quality) or on the quantity or quality of the province's natural resources (e.g., fish, timber, wilderness areas, etc.) that are directly attributable to a particular energy project. They may also refer to effects on the social environment (e.g., pressure on amenities, infrastructure, etc.) or on regional or provincial social service requirements (e.g., special housing, policing or health service requirements).

Another category of relevant impacts is referred to in the impact management literature as "special" impacts. "Special" impacts occur as a result of the behavioral responses or actions resulting from negative perceptions of a proponent, proposed facility and/or perceptions of the risk associated with the operation of the facility. Examples include stress; out-migration (affecting community stability and cohesion); potential stigma effect; and, changes in community character.

Though difficult to factor into the project planning process, "special" impacts are nevertheless a reality. For some proposals, success will depend on the proponent's ability to recognize, acknowledge and satisfactorily address this type of impact.

OBJECTIVES OF IMPACT MANAGEMENT

Overall, an impact management plan should be designed with the following objectives in mind:

- To avoid, prevent or reduce the severity of adverse environmental and socio-economic impacts;
- To ensure that project options with potentially mitigable impacts are not prematurely rejected;
- To increase the public acceptability of the project by demonstrating the proponent's credibility and commitment to environmental protection and by reducing the costs and risks of the project to the local community;
- To facilitate the development of impact monitoring/contingency and community liaison programs for input into the project planning process; and
- To improve project decision-making by reflecting the costs of impact management measures in overall project costs.

IMPACT MANAGEMENT FRAMEWORK

A coordinated application of impact management measures needs to be included early in the project planning process. The impact management framework should generally consist of four basic components: mitigation measures, compensation measures, monitoring/contingency measures and community liaison measures. The extent of the impact management measures within this framework will vary with the type and scale of the project.

Mitigation measures are meant to minimize environmental and socio-economic disruption through design and operations considerations. This may include measures taken to avoid the adverse impact altogether by not taking a certain action or parts of an action (preventative) or minimizing impacts by limiting the degree or magnitude of the action and its implementation. It may also include rectifying the impact by repairing, rehabilitating or restoring the affected environment, and reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action.

Examples of "on-site" mitigation measures may include such things as modifications to facility design, careful site design and layout, and adoption of environmentally sound construction methods and operational practices. Examples of "off-site" mitigation measures may include such things as upgrading roads to minimize traffic safety hazards, planting trees and shrubs to minimize the visual intrusion of the project, and upgrading glazing and other measures to minimize potential noise impacts on nearby residences.

Compensation refers to payment (in cash or in kind) made by the proponent with the objective of redressing or offsetting unavoidable adverse environmental impacts (impact-related compensation). Compensation can also refer to benefits or incentives provided by the proponent, above and beyond the costs associated with the facility (equity-related compensation).

Examples of "impact-related" compensation may include such things as various forms of property value protection/guaranteed purchase for property owners and/or residents; direct compensation for project impacts; and in-kind replacement or resource substitution for environments affected by the development. Examples of equity-related compensation may include such things as local procurement and hiring policies; tax subsidies; bonus services and bonus facilities.

Monitoring/contingency measures refer to activities that establish a base condition for selected components of the environment, and observe and measure changes from the base condition, with the objective of detecting and responding to potential problems and unanticipated impacts. This serves to establish baseline information used in the evaluation of environmental impacts and the formulation of appropriate preventative mitigation responses; help in the detection of unanticipated impacts in order to formulate and implement contingency impact mitigation and compensation responses; and, aid in the evaluation of effectiveness of mitigation measures.

Examples of monitoring/contingency measures may include such things as environmental/community monitoring and inspection (possibly designed with input of residents); cooperative emergency preparedness planning/training/equipment purchase; financial security for environmental liability; and, provision of alternate amenities (e.g., water supply etc.), if applicable.

Community liaison measures relate to actions undertaken to ensure effective dialogue and joint problem-solving in order to aid in the ongoing identification and resolution of concerns and issues. Effective community liaison is essential if an impact management program is to be socially responsive and perceived as credible by the public.

Community liaison measures should not be geared towards "selling" a predetermined management package or approach. Rather, they should function in a manner similar to

monitoring, that is, to provide information regarding impacts and preferences for the development of mitigation options, helping to determine mitigation effectiveness, and as a mechanism for problem-solving. Community liaison measures can also help address a variety of the more intangible "special" impacts caused by public risk perception.

Examples of community liaison measures may include such things as continuing public education and consultation measures; ongoing liaison/monitoring/advisory committees involving local residents/government/other stakeholders; public access to monitoring/incident information; and, formal complaints identification and resolution procedures with documentation and follow-up.

IMPACT MANAGEMENT DECISION FRAMEWORK

A successful impact management program is set into motion by the anticipation of adverse project-related impacts. From the outset of the project planning process proponents should develop a decision framework for impact management which helps ensure that impact management responses are consistently applied and conform to the desired objectives of the project planning process.

A policy framework for impact management should specify:

- The range of impact management measures that the proponent is willing to consider and implement;
- The relative priority that will be placed on the various impact management measures; and
- The level of community involvement in developing and implementing the impact management measures.

As the project planning process proceeds, the impact management decision framework will likely need to be refined and, if necessary, expanded. An impact management decision guide, outlining explicitly the basis and process for determining impact significance and the criteria to be used for the selection of impact management measures, is a useful tool for this purpose.

CONCLUSION

In summary, mitigation measures ensure that energy projects are designed to minimize total costs (including the resource and social costs associated with development). Compensation measures ensure that the resource and social costs which remain are borne and fully taken into account by the developer and ultimately by the consumers of the goods or services that the development provides.

Monitoring/contingency measures ensure that baseline conditions are established; the effectiveness of specific impact management measures can be determined; and, unexpected impacts and problem areas can be detected and corrected. Community liaison measures ensure that project planning is socially responsive and credible and that the lines of communication are open to facilitate the ongoing process of impact identification and problem-solving.

The issue of appropriate impact management measures will be explored with individual proponents by reviewers and the EPCC. Proponents may also wish to refer to references on impact management including the province's Environmental and Social Impact Compensation/Mitigation Guidelines (Environment and Land Use Secretariat, 1980) for more information on this topic.

APPENDIX 6 - Procurement Policy For Major Project Developments

INTRODUCTION

This Appendix provides specific guidelines on the British Columbia government's procurement policy for major projects undertaken in the province.

The Government of British Columbia is committed to the growth and diversification of the provincial economy. Through the Public Sector Purchasing Policy, the government uses the total purchasing power of the provincial public sector as a lever for economic growth by maximizing opportunities for British Columbia companies and encouraging national and international investment. In order to achieve the competitive productive potential of the province's industrial and service sector supply base, the government also seeks the active support of the private sector in encouraging competitive sourcing from British Columbian, Canadian and international suppliers in all major projects undertaken in the province.

The government will be reviewing, through the B.C. Purchasing Commission, all projects subject to the Energy Project Review Process, with a view to supporting and developing British Columbian and Canadian expertise. The government also seeks the cooperation of proponents in identifying opportunities to establish domestic manufacturing in connection with major project developments, including, where feasible, opportunities for the design of new products or the transfer or development of new technology.

Proponents are asked to provide details of their procurement needs at the earliest point in the application process, by way of a Preliminary Procurement Plan. The application itself must include a more formal Benefits Plan. Guidelines for both Plans are provided below.

Early notification of procurement intentions will enable the B.C. Purchasing Commission to assist developers in gaining the maximum possible exposure to local supply capabilities and potential, while providing local suppliers with appropriate lead time to gear up production facilities. To assist in the process, it will be expected that, in certain instances, proponents will establish local procurement or engineering offices. The B.C. Purchasing Commission will ensure that all information received is distributed to the supply community and will act, where necessary, as a catalyst or contact point between proponents and domestic suppliers.

A review of the Preliminary Procurement and Benefits Plans will be undertaken and will form one element of project evaluation. Procurement monitoring will continue throughout the construction phase.

BENEFITS

The Government of British Columbia anticipates that, with the cooperation of proponents, a strengthened and diversified manufacturing and service sector can be developed that will be competitive in world markets. In the process, proponents will also enjoy the following advantages of dealing with local suppliers:

Lower Cost

- Given an opportunity to bid, local suppliers are often able to quote a lower price due to their geographic proximity and knowledge of local conditions.

Quicker, More Reliable Delivery

- This is especially important for critical path material, items requiring long lead times, and "Just In Time" inventory requirements.

Better After-Delivery Service

- Local suppliers are closer at hand to provide repairs, replacements, spare parts, maintenance, advice and all other aspects of follow-up service.

Broadened Supplier Base

- This ensures ongoing competition and security of supply - the buyer gets the right product at the right price, in the right place at the right time.

Enhanced Working Relationships

- Close buyer-supplier relationships can pay dividends in the future when requirements change and suppliers must change their products to meet the buyer's needs.

GUIDELINES

Preliminary Procurement Plan

This document is to be prepared as part of the project prospectus and should include the following items:

- The name of the senior company representative responsible for procurement;
- A list and a rough order of magnitude of the goods and services required for the project, including identification of any product prequalifications or standards to be met;
- Tentative procurement and construction schedules; and
- Identification of goods and services that the developer anticipates having to source outside British Columbia; critical and long lead-time goods and services; special equipment applications; environmentally sensitive goods and technologies; new technologies, or technology transfers new to British Columbia or Canada.

Benefits Plan

This document should be submitted with the draft and formal EPCA.

a) Principles

The Benefits Plan should contain statements of the proponent's commitments to the following principles:

- To obtain goods and services on a fair and competitive basis;
- To support and encourage the development of British Columbian and Canadian industry by contracting with suppliers of goods and services for the project on the basis of competitiveness and best value to British Columbia and Canada, and by providing relevant tender information, as identified in the Benefits Plan, to the B.C. Purchasing Commission, for placement on the British Columbia Business Network;
- To identify opportunities for the procurement of environmentally sensitive goods and services;
- To provide fair and equal employment and training opportunities, with priority given to residents of British Columbia; and
- To the extent feasible and on a competitive basis, to source as many goods, services and personnel from communities immediately proximate to the project location.

b) Procedures

The Benefits Plan should demonstrate that the proponent intends to adhere to some or all of the following procedures:

- Communicate with British Columbian and other Canadian suppliers and manufacturers, when requested by these suppliers or manufacturers, to help them qualify for bids and contracts;

- Visit plant facilities, review methods, equipment and personnel qualifications, as required, in order to ascertain the competitive capabilities of British Columbian and Canadian suppliers;

- Make available to potential suppliers and the B.C. Purchasing Commission the bidding procedures and the names and locations of key procurement personnel, including those of sub-contractors where appropriate;

- Announce the need for goods and services in a timely fashion to ensure sufficient time for bidders to respond;

- Review bid specifications to ensure that they do not unfairly prevent British Columbian and other Canadian suppliers from participating. To the extent practical and cost-effective, design specifications in accordance with Canadian standards and package bids to encourage British Columbian and Canadian firms to take part in the bidding process;

- Provide relevant tender documents to the B.C. Purchasing Commission for placement on the British Columbia Business Network, as opportunities for suppliers;

- Conduct pre-bid meetings with potential suppliers and, if requested by suppliers, hold seminars on bid preparation, project requirements and assessment of opportunities;

- Communicate with unsuccessful British Columbian and other Canadian bidders, when requested by the bidders, to help them bid more competitively in the future;

- To the extent feasible and practical, endeavour to transfer technology and know-how into British Columbia and Canada, and to share technology with associates on normal commercial terms;

- Assist residents of British Columbia and Canada to become aware of employment and training opportunities through appropriate communication initiatives; and

- Bind sub-contractors to the principles and procedures committed to in the Benefits Plan, in contracts with sub-contractors.

CONSULTATION, MONITORING AND REPORTING

Proponents should initiate and maintain consultation with the B.C. Purchasing Commission during preparation of the Benefits Plan. Thereafter the proponent's representative and a representative of the B.C. Purchasing Commission will meet as required to review progress toward achieving Benefits Plan undertakings and forthcoming procurement decisions.

From the time government approves a project to proceed, proponents may be required to submit monthly reports to the B.C. Purchasing Commission to facilitate monitoring of progress in meeting Benefits Plan commitments. These reports may include the following information:

- A summary of work undertaken for the month and any problems encountered in achieving Benefits Plan commitments;

- A list of contracts awarded during the month, including the names and addresses of successful bidders, the type and value of each contract, and the British Columbian and Canadian content associated with each contract;

- An updated list of contracts scheduled to be tendered or awarded in the future; and

- Any other information required to monitor and review the proponent's progress in meeting its Benefits Plan commitments.

POLICY REVIEW

The B.C. Purchasing Commission will periodically review the effectiveness of this Procurement Policy in meeting government's objectives of economic growth and diversification, enhanced free flow of goods and services in Canadian and international markets, and increased procurement of environmentally sensitive products. If it is found to be unnecessarily burdensome to proponents and not providing the anticipated benefits, adjustments to the Policy will be made.

APPENDIX 7 - Relevant Provincial and Federal Statutes

INTRODUCTION

It is the responsibility of each applicant to ensure compliance with all relevant enactments, including provincial, federal and local government requirements. This Appendix contains a list of the key provincial and federal statutes which may apply to energy projects. However, this list is not exhaustive. Accordingly, it is the responsibility of each applicant to ensure that all regulatory requirements relative to a particular energy project are identified and satisfied.

Agricultural Land Commission Act

Permission to use land in an agricultural land reserve for a purpose other than farm use. Compliance with Guidelines for Linear Development on Agricultural Land; Memoranda of Agreement and Protocols regarding petroleum and natural gas exploration and production.

Agricultural Land Commission; Ministry of Agriculture, Fisheries and Food.

Boiler and Pressure Vessel Act

Approval of all boiler, pressure vessels and refrigeration plants.

Ministry of Municipal Affairs, Recreation and Housing.

Coal Mine Regulation Act

Approval of mine plan by Chief Inspector, including work system and support system approval; Stability approval for tailing impoundments; Reclamation permit authorizing commencement or continuance of work in accordance with approved program for reclamation and conservation.

Resource Management Branch, Mineral Resources Division, Ministry of Energy, Mines and Petroleum Resources.

Environment Management Act

Requirements for impact assessment, environmental protection order, as required.

Ministry of Environment, Lands and Parks.

Fire Services Act

Regulations for the storage, handling and use of flammable and combustible liquids; Permit system in connection with the storage of flammable and combustible liquids.

Local Fire Commissioner, Ministry of Attorney General.

Fisheries Act (B.C.)

Requirements for designated rivers, streams or waterways regarding the provision of fish protective devices on dam or hydraulic projects; Approval of plans affecting the passage of fish.

Fisheries Branch, Ministry of Environment, Lands and Parks.

Fisheries Act (Canada)

The federal Fisheries Act contains requirements regarding the harmful alteration of fish habitat, construction of fishways or canals, the provision of fishstops or diverters and the flow of water and, also, pollution control provisions regarding the deposit of deleterious substances in water. Provincial conservation officers, where designated fisheries officers, are also charged with enforcement of the federal Fisheries Act.

Federal Department of Fisheries and Oceans.

Forest Act

Permission to use provincial forest for other than the enumerated purposes; Licence or permit for cutting timber; Permit for the use of fire.

Ministry of Forests.

Gas Safety Act

Approval of installation or alteration of gas piping, appliance or vent in any premises. Also inspections, equipment approvals, licencing of tradesmen and registration of contractors.

Safety and Standards Department, Ministry of Municipal Affairs, Recreation and Housing.

Gas Utility Act

"Gas utility" subject to regulation under the Utilities Commission Act, including requirements regarding regulated projects involving the storage, use and transmission of gas. Used to facilitate expropriations.

B.C. Utilities Commission.

Health Act

The Health Act has regulations which pertain to the establishment of industrial work camps; the disposal of sewage, garbage and refuse; the sanitary operation of food premises; the purveyance of safe drinking water and a provision of the Act prohibits discharges into the land, water or air of a substance that is, or may be, a health hazard.

Medical Health Officer, Ministry of Health.

Heritage Conservation Act

Permit to excavate or otherwise alter a provincial heritage site designated under section 4 of the Act or an archaeological site listed under Section 6 of the Act.

Archaeology Branch, Ministry of Tourism and Ministry Responsible for Culture.

Highway Act

Approval of plans affecting designated highways and access to highways, including setback and sight clearance restrictions.

Regional Approving Officer; Ministry of Transportation and Highways.

Highway (Industrial) Act

Restrictions regarding the construction, location and operation of industrial roads, including the requirement of approval to cross or join a public road or highway.

Highways Branch, Ministry of Transportation and Highways.

International Boundary Waters Treaty Act (Canada)

The International Boundary Waters Treaty Act has the responsibility for approving works that would affect water levels in the other country (Canada or US) as well as setting up a dispute resolution mechanism administered by the International Joint Commission (IJC) for non-binding recommendations.

International Joint Commission.

International Rivers Improvement Act (Canada)

The federal International Rivers Improvement Act requires a permit for projects that involve specific changes to the flow of international watercourses (e.g., quantity or timing of flows etc.).

Inland Waters Directorate, Environment Canada.

Land Act

Requirements regarding the disposition of Crown land, including sales, leases, license of occupation, rights-of-way, easements and leases or other dispositions of building or

construction materials; Permission to construct upon Crown land, including access roads; Gravel removal order.

Regional Operations, Ministry of Environment, Lands and Parks.

Mining Regulation Act

Approval of mine plans by Chief Inspector, including approval of the filed plan of the system to work the mine; stability approval for tailing impoundments; reclamation permit authorizing commencement or continuance of work in accordance with approved program for reclamation and conservation.

Resource Management Branch, Mineral Resources Division, Ministry of Energy, Mines & Petroleum Resources.

Municipal Act

By-laws within municipal and regional district boundaries.

Municipal Councils, Regional District Boards.

Navigable Waters Protection Act (Canada)

Projects that include any works in, upon, over, under, through or across navigable waters must be approved by Transport Canada under the federal Navigable Waters Protection Act.

Navigable Waters Protection Act Programs Division, Canadian Coast Guard, Transport Canada.

Park Act

Park use permit or resource use permit in recreation area necessary in order to carry out certain activities including industrial or commercial activities.

Ministry of Environment, Lands and Parks.

Pesticide Control Act

Permit from Pesticide Control Branch for the use of pesticides.

Pesticide Control Branch, Ministry of Environment, Lands and Parks.

Petroleum & Natural Gas Act

Geophysical license for exploration; production facility, gas plant and storage schedule approvals; natural gas license upon discovery; petroleum/natural gas lease for production, well/test hole authorizations, drilling reservation, rig license; Certificate of Restoration.

Energy Resources Division, Ministry of Energy, Mines and Petroleum Resources.

Pipeline Act

Approval of high pressure pipelines; approval to cross highway, private road, railway (see Railway Act), irrigation ditch, drain, telegraph, telephone or electric power line or pipeline; other restrictions regarding alterations, spillage; compliance with Canadian Standards Association Code.

Engineering and Inspection Division, Ministry of Municipal Affairs, Recreation and Housing.

Range Act

Provisions regarding the use of Crown range for grazing, hay production or other purposes, including provisions regarding the control of livestock, revegetation, etc., in grazing reserves.

Ministry of Forests.

Soil Conservation Act

Approval and permit necessary for the removal of soil from an agricultural land reserve. Regulations to prevent and control soil erosion.

Agricultural Land Commission, Ministry of Agriculture, Fisheries and Food.

Utilities Commission Act

Energy project and energy operation certificate for the construction and operation of a regulated project. Energy removal certificate for the removal of energy resource from the province. Regulation of public utilities, including certificates of public convenience and necessity from B.C. Utilities Commission.

Energy Resources Division, Ministry of Energy, Mines and Petroleum Resources; B.C. Utilities Commission.

Waste Management Act

Permit or temporary approval for the discharge or emission of effluent, waste material, contaminants on land, into water or into the air; restrictions regarding the discharge or disposal of litter, sewage or waste on land or into water.

Ministry of Environment, Lands and Parks.

Water Act

Water license or approval from the Comptroller of Water Rights for the use, diversion or storage of water for the alteration of streams or channels and operation of works in and about water bodies. Permits authorizing the flooding of Crown land or the construction, maintenance or operation of works on Crown land.

Water Management Division, Ministry of Environment, Lands and Parks.

Weed Control Act

Requirements regarding the control and eradication of noxious weeds growing or located on land and premises.

Crop Protection Branch, Ministry of Agriculture, Fisheries and Food.

Wildlife Act, Firearm Act

Hunting, trapping and guiding licences; restrictions and regulations regarding hunting, trapping, guiding and the preservation of wildlife habitat; permits for shooting, control of firearms.

Fisheries, Wildlife, Integrated Resources Division, Ministry of Environment, Lands and Parks.

APPENDIX 8 - Sample Minister's Letter and Affidavit

Suggested Format:
Letter to the Minister conveying an
Energy Project Certificate Application

DATE

The Honourable **Minister's Name**
Minister of Energy, Mines
and Petroleum Resources
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Dear **Sir/Madam**:

Company name hereby makes application under Part 2 of the Utilities Commission Act for an Energy Project Certificate for our proposed **project description** near **city name**, British Columbia.

Thirty (30) copies have also been forwarded to **name**, Director, Energy Project Analysis Branch, for distribution and review by various government agencies.

Yours sincerely,

Name
Title

cc: **name**
Director
Energy Project Analysis Branch

Suggested Format:

AFFIDAVIT

CANADA
PROVINCE OF **name**

TO WIT:

I, **name** of the City of **name,** in the Province of **name**,
title
MAKE OATH AND SAY:

1. THAT I am the **title** of **company name**, and, as such, am duly authorized to make application on behalf of **company name** for an Energy Project Certificate to construct and operate the **project name**.

2. THAT the information contained in the Application is, to the best of my knowledge and belief, true and accurate in all respects.

SWORN BEFORE me at the City of **name**, in the Province of **name**, this _____ day of **month**, 19___.

signature

A Commissioner for Oaths in and for the Province of **name**.

name
company name